

Rural and Regional Adjustment (COVID-19 Marine Tourism Assistance Scheme—Round 2) Amendment Regulation 2021

Explanatory Notes for SL 2021 No. 134

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

*Rural and Regional Adjustment (COVID-19 Marine Tourism Assistance Scheme—
Round 2) Amendment Regulation 2021*

Authorising law

Sections 3, 10, 11 and 44 of the *Rural and Regional Adjustment Act 1994* (the Act).

Policy objectives and the reasons for them

The public health response to the novel coronavirus COVID-19 pandemic, including travel restrictions such as border closures and “lockdowns”, has and continues to result in a loss of income for tourism businesses with consequential economic impacts on state and regional economies.

The COVID-19 Marine Tourism Assistance Scheme – Round 2 (second round) forms a small, but important, component of the \$47.75 million Tourism and Hospitality Sector COVID-19 Lockdown Support Package to assist businesses impacted by COVID-19 lockdowns, which was announced by the Premier and Minister for Trade, Treasurer and Minister for Investment and Minister for Tourism Industry Development and Innovation and Minister for Sport on 10 August 2021.

The objective of the subordinate legislation is to enable the Queensland Rural and Industry Development Authority (QRIDA) to provide the second round of assistance to help marine tourism businesses that have suffered losses of income because of the COVID-19 travel restrictions, by offsetting the cost of renting berths at privately-owned or privately-operated marinas located in eligible local government areas.

Achievement of policy objectives

The subordinate legislation achieves its objective by amending the existing COVID-19 Marine Tourism Rebate Scheme to enable QRIDA to administer the second round of payments. Under the Act, QRIDA can only provide financial assistance under an approved assistance scheme prescribed by regulation.

Eligible businesses may receive second round payments of up to a maximum of \$20,000 to offset the cost of renting a berth for an eligible boat in a privately-owned or privately-operated marina in the period 1 July 2021 to 30 June 2022. The assistance may be paid as a rebate to offset the cost of berthing fees already paid. Alternatively, and unlike the first round of assistance, an eligible business may, if an invoice for eligible berthing expenses has not been paid, elect for the payment to be made directly to the privately-owned or privately-operated marina which issued the invoice.

To be eligible, a business must meet certain criteria, including that it has ordinarily provided tourism services using one or more eligible boats since 1 April 2021; is headquartered in Queensland; and has suffered a loss of income because of the COVID-19 travel restrictions. The business must also have had at least one employee since 1 April 2021 and be registered for GST. An eligible business must either have had a turnover of at least \$75,000 in at least one of the three previous financial years or, if the business had been operating for less than a financial year, reasonably be expected to achieve a turnover of at least \$75,000 in the 2021-2022 financial year.

Consistency with policy objectives of authorising law

The subordinate legislation is consistent with the policy objectives of the Act. The Act establishes QRIDA to administer assistance schemes that foster the development of a more productive and sustainable rural and regional sector in Queensland. QRIDA may also support the State's economy by administering approved assistance schemes to assist primary producers, small businesses and other sectors during periods of temporary difficulty, or to otherwise benefit the Queensland economy.

Inconsistency with policy objectives of other legislation

The subordinate legislation is not inconsistent with the policy objectives of any other legislation.

Benefits and costs of implementation

QRIDA has extensive experience in administering grant, loan, rebate and payment schemes for government and is well placed to administer the Scheme.

The Queensland Government will provide assistance by way of rebates and/or grants up to a maximum of \$20,000 (excluding GST) per successful applicant. Funding of \$3 million has been allocated to deliver the second round, including administration fees. The total cost to the Queensland Government will depend on the level of uptake.

Round 2 will assist eligible businesses affected by COVID travel restrictions by providing financial relief towards some of their expenses.

Consistency with fundamental legislative principles

The subordinate legislation has been drafted with regard to, and provides a justified departure from, the fundamental legislative principles (FLPs) as defined in section 4 of the *Legislative Standards Act 1992* addressed below.

Legislation should have sufficient regard to the institution of Parliament in that subordinate legislation allows the subdelegation of power delegated by an Act only in appropriate cases and to appropriate persons and only if authorised by an Act (*Legislative Standards Act 1992* section 4(5)(e)).

The subordinate legislation could potentially infringe upon this FLP because it enables the chief executive to make and publish a notice to expand the eligible local government areas. The Act requires the detail of a scheme to be prescribed by regulation and does not expressly provide for the regulation to subdelegate this.

Enabling the chief executive to make and publish a notice of additional eligible local government areas (LGAs) will facilitate timely delivery of much-needed financial assistance to tourism businesses in those LGAs should it become necessary. Requiring the subordinate legislation to be amended each time a new LGA was to be included in the scheme would compromise the timeliness of providing the assistance.

Consultation

The Department of Tourism, Innovation and Sport consulted with the Association of Marine Park Tourism Operators, Tourism Port Douglas Daintree and Tourism Tropical North Queensland about how marine tourism operators are experiencing cash flow pressure; problems with advance bookings; and not having sufficient funds to pay their marina fees in advance. Additionally, the general downturn of bookings due to COVID-19 lockdowns; continual international border closures; and restrictions for interstate travel, particularly from the states of New South Wales and Victoria, have been significant factors impacting the operators' income streams.

The Association of Marine Park Tourism Operators (AMPTO) approached the Department of Tourism, Innovation and Sport on behalf of industry to seek changes to the existing Scheme to make it easier for marine tourism businesses to apply. The changes requested were to assist those marine tourism operators who are experiencing cash flow pressure and do not have sufficient funds to pay their marina fees in advance, and to assist a large marine tourism operator in North Queensland who had missed out on round 1 due to having more than 200 full-time equivalent employees.

Following a meeting with AMPTO, Tourism Port Douglas Daintree and Tourism Tropical North Queensland on 13 August 2021, the following recommended changes to the scheme are being implemented in the second round:

- removing the maximum number of full-time equivalent employees, meaning that the applicant only now needs to employ at least one full-time equivalent employee as at 1 April 2021; and
- allowing assistance to marine tourism businesses via payment direct to a privately-owned or privately-operated marina against an invoiced amount owed by the applicant business.

The Department of Agriculture and Fisheries consulted the Office of Best Practice Regulation (OBPR), within Queensland Treasury, on whether the amendment is excluded from further analysis under the *Queensland Government Guide to Better Regulation*. The OBPR advised that it considered the proposal is unlikely to result in significant adverse impacts and that no further regulatory impact analysis was required.

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